



EMBASSY of COLOMBIA

W A S H I N G T O N

NSD/CES/REGISTRATION UNIT
2011 FEB -7 PM 2:16

February 7, 2011

Dear Member of Congress:

After witnessing first-hand the ongoing natural disaster created by massive flooding in Colombia, I am well aware of this natural disaster's devastating effects on our people and the potential impact on our path towards progress and economic and social stability.

Unusual weather patterns have unleashed torrential rains for the past several months. During this period, overflowing rivers, flash flooding, and disastrous landslides have killed more than 300 people, destroyed or damaged hundreds of thousands of homes, destroyed vital infrastructure and crops, and seriously challenged the transportation of goods and people within the country.

The United States and other countries and international organizations have recognized the growing crisis and are providing much needed humanitarian assistance. For that, we are grateful.

Unfortunately, meteorologists have predicted that the "La Niña" weather phenomenon could continue bringing record rainfall to our country for several more months. We know, therefore, that our recovery and rebuilding effort will challenge us for years to come.

Maintaining a stable and fully functioning economy during this difficult time will be essential to avoid unemployment and hunger, and to avoid undermining the tremendous progress our country has made to improve the social, political, and economic welfare of our people. To that end, **we urge Congress to help us sustain our economic stability by extending the Andean Trade Promotion and Drug Eradication Act (ATPDEA).**

A temporary extension of the ATPDEA was achieved in the waning hours of the 111th Congress, and is **due to expire on February 12, 2011**. Failure to extend these vital trade preferences would cause significant damage to numerous Colombian economic sectors, resulting in significant job losses at a time when our country can least afford it.

I have attached further information about Colombia's ongoing challenges in addressing these epic floods, and would be pleased to discuss the urgent need for an ATPDEA extension at your earliest convenience.

Sincerely,

Gabriel Silva
Ambassador



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The Washington Post

“...Colombia is in danger of losing its usual preferences in the United States; they may lapse at the end of this year amid partisan wrangling in Congress over extraneous trade matters. Recent floods have killed 300 Colombians, left 2 million homeless and caused \$5 billion in damage, adding a humanitarian argument to the already convincing economic and strategic case for stronger U.S.-Colombian ties. The Obama administration, supposedly intent on boosting exports and the domestic jobs they create, must stop equivocating and add Panama and Colombia to its free-trade priorities in the new Congress.” *Editorial, December 21, 2010*

THE WALL STREET JOURNAL.

“Now, when the country is facing the worst floods in 40 years, Congress is threatening to take away its duty-free access to U.S. markets under the Andean Trade Promotion and Drug Eradication Act, or ATPDEA. Colombia, a reliable friend of the U.S., needs our help.” *Editorial, December 17, 2010*

POLITICO

“The delay [in extending preferences] couldn't come at a worse time for Colombia, which recently has been hit by the worst flooding in decades, killing hundreds and straining its agricultural sector.” *December 16, 2010*

DOW JONES

“...[T]he stakes are even higher for Colombia's trade preferences. The country is suffering from some of the worst flooding in decades, which the government has estimated could cause over \$5 billion in damages. A Colombian official said there is greater urgency to extend the preferences this year, since lower growers and others that benefit from the program are among the hardest hit by the floods.” *December 15, 2010*

In the News: Colombian Economy, Agriculture Impacted by Epic Floods



"Congressman David Cicilline (D-RI) addresses tragedy in Colombia." *January 20, 2011*
<http://www.c-spanvideo.org/videoLibrary/clip.php?appid=599435528>



"In Colombia months of heavy rain have caused widespread flooding, killing at least 312 people in the worst natural disaster in the country's history. Hundreds of thousands are homeless and some 2.2m have suffered damage to their homes or property. Many main roads are in ruins, bridges and dykes have collapsed and some of the country's most productive agricultural areas have become marshland. The government reckons that aiding the victims and rebuilding will cost about \$6.6 billion." *January 13, 2011*



"Colombia's ethanol producers lost \$29 million last month due to heavy flooding that inundated cane fields, impeded access of harvesting equipment and forced shutdowns of the nation's six biofuels plants for most of December....[I]ncessant rains and flooding that have battered Colombia since mid-November cost the nation's producers about 1 million liters per day, or virtually its entire December ethanol output." *January 10, 2011*

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Epic Floods Batter Colombia



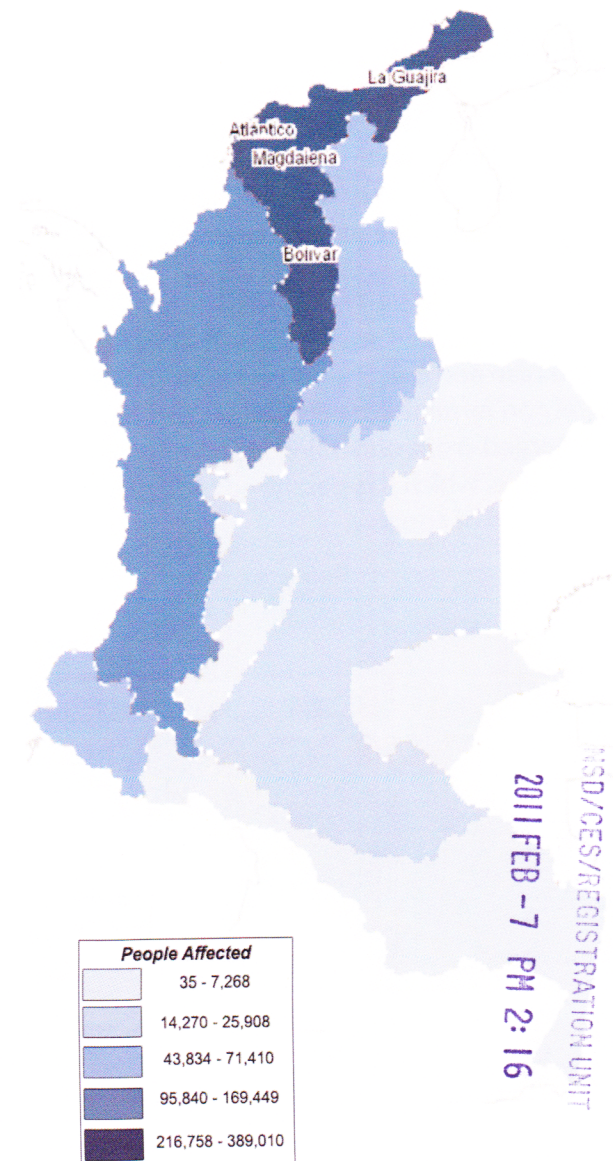
A National Emergency

“The damage is incalculable.”

Colombian President Juan Manuel Santos

At the beginning of January, the United Nations reports that more than 2.2 million people have been affected by the massive floods now devastating Colombia. The floodwaters and relentless rains have caused massive landslides that have:

- Killed 311, with 64 missing.
- Injured 289.
- Displaced at least 130,500 people – now in shelters.
- Destroyed 5,323 houses.
- Damaged 328,420 homes.
- Damaged nearly 20,000 miles of paved roads.
- Damaged 815 schools; with over 300,000 students unable to attend class.
- Submerged 272,000 acres of planted cropland, and damaged 210,000 additional acres.
- Destroyed 496,000 tons of crops and killed over 70,000 cattle.
- Impacted 28 of Colombia's 32 departments (states).



With the “La Niña” weather phenomenon predicted to continue bringing record rainfall to the country for months to come, with more flash flooding and landslides are expected.

- To protect public safety, the Government recently announced two new decrees under the current state of economic, social and ecological emergency. The first one empowers mayors and governors to evict people who refuse to evacuate areas affected or at risk. The second allows the use of seized machinery (from illegal mining enterprises) for the rehabilitation and reconstruction of roads, rivers and canals.

Rebuilding

As Colombia struggles to cope with the day-to-day emergencies caused by the epic flooding, the long-term economic costs for full recovery are staggering.

In addition to the rebuilding of homes, businesses, schools, hospitals and roads – the country faces the need for massive new infrastructure projects to control floodwaters in the future, with costs estimated to reach at least \$6.6 billion.



Photo: Aerial view of a town submerged under floodwaters

Rebuilding – Plans for a Meaningful, Fiscally Responsible Effort

The Colombian government doesn't expect an increase on its debt issuance or a hike in its fiscal deficit as it seeks to bolster spending to tackle devastating floods that have lashed the country...

Instead the government plans to use tax collection, budget spending and the partial sale of state oil company Ecopetrol SA to finance its reconstruction efforts.

The government's tax intake is set to increase after President Juan Manuel Santos decreed that a financial transactions tax will remain in place until 2014. Santos also lowered the threshold on a wealth tax, which is set to increase the government's tax collection.

Combined with budget spending, the government aims to use the increased tax intake to create a \$3.38 billion "calamity fund" for spending between 2011-2014.
Dow Jones 1/12/11

“We must go forward and that all actions taken from here forward must be to protect life and alleviate suffering of those who today are victims of this tragedy.”

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